

House File 700 - Enrolled

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HOUSE FILE 700

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1 3 AN ACT
1 4 RELATING TO THE IOWA SOYBEAN ASSOCIATION, BY PROVIDING FOR ITS
1 5 BOARD OF DIRECTORS, MARKET DEVELOPMENT, AND PROVIDING FOR AN
1 6 ASSESSMENT.
1 7
1 8 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:
1 9
1 10 Section 1. Section 185.1, subsections 1 and 8, Code 2005,
1 11 are amended by striking the subsections.
1 12 Sec. 2. Section 185.1, Code 2005, is amended by adding the
1 13 following new subsections:
1 14 NEW SUBSECTION. 1A. "Association" means the Iowa soybean
1 15 association as recognized in section 185.1A.
1 16 NEW SUBSECTION. 5A. "Influencing legislation" means the
1 17 same as defined in 26 C.F.R. } 56.4911 as that section exists
1 18 on the effective date of this Act.
1 19 NEW SUBSECTION. 8A. "National assessment" means the
1 20 assessment on soybeans collected pursuant to 7 U.S.C. ch. 92.
1 21 NEW SUBSECTION. 8B. "Net market price" means the sales
1 22 price received by a producer for soybeans after adjustments
1 23 for any premium or discount based on grading or quality
1 24 factors.
1 25 NEW SUBSECTION. 12A. "Secretary" means the secretary of
1 26 agriculture.
1 27 NEW SUBSECTION. 13A. "State assessment" or "assessment"
1 28 means an excise tax on each bushel of soybeans marketed in
1 29 this state which is imposed pursuant to a promotional order as
1 30 provided in this chapter.
1 31 Sec. 3. Section 185.1, subsections 2, 9, 10, and 12, Code
1 32 2005, are amended to read as follows:
1 33 2. "Board" means the Iowa soybean ~~promotion~~ association
1 34 board of directors established by this chapter.
1 35 9. "Producer" means ~~any individual, firm, corporation,~~
2 1 ~~partnership, or association~~ a person engaged in this state in
2 2 the business of producing and marketing in their the person's
2 3 name at least two hundred fifty bushels of soybeans in the
2 4 previous marketing year.
2 5 10. "Promotional order" means an order administered
2 6 pursuant to this chapter which establishes a program for the
2 7 promotion, research, and market development of soybeans and
2 8 provides for ~~an a state~~ assessment to finance the program.
2 9 12. "Sale" or "purchase" includes but is not limited to
2 10 the pledge or other encumbrance of soybeans as security for a
2 11 loan extended under a federal price support loan program.
2 12 Sale and actual delivery of the soybeans under the federal
2 13 price support loan program occurs when the soybeans are
2 14 marketed following redemption by the producer or when the
2 15 soybeans are forfeited in lieu of loan repayment. If the
2 16 soybeans are forfeited in lieu of repayment, the purchase
2 17 price of the soybeans is the principal amount of the loan
2 18 extended and the state assessment shall be collected at the
2 19 time of loan settlement.
2 20 Sec. 4. NEW SECTION. 185.1A RECOGNITION OF IOWA SOYBEAN
2 21 ASSOCIATION.
2 22 The corporation known as the Iowa soybean association
2 23 incorporated under the laws of this state shall be entitled to
2 24 the benefits of this chapter by filing each year with the
2 25 secretary a verified proof of its organization, the names of
2 26 its officers, and any other information required by the
2 27 secretary.
2 28 Sec. 5. NEW SECTION. 185.1B DUTIES AND OBJECTS OF THE
2 29 ASSOCIATION.
2 30 The Iowa soybean association shall aid in the promotion of
2 31 the soybean industry through research, education, public
2 32 relations, promotion, and market development projects and
2 33 programs as directed by the board to accomplish its purposes
2 34 as provided in section 185.11.
2 35 Sec. 6. Section 185.3, Code 2005, is amended to read as
3 1 follows:
3 2 185.3 BOARD ESTABLISHED == ELECTIONS.
3 3 ~~If a majority of the producers voting in the referendum~~
3 4 ~~election approve the passage of the promotional order, an The~~
3 5 Iowa soybean promotion association board of directors shall be

3 6 established administer this chapter.
3 7 1. The board shall consist of ~~one director~~ directors who
3 8 are producers residing in Iowa at the time of the election.
3 9 The directors shall include all of the following:
3 10 a. Four producers who are elected from the state at large.
3 11 b. One producer who is elected from each district in the
3 12 state, except that. However, two producers shall be elected
3 13 from a district producing more than an average of twenty-five
3 14 million bushels of soybeans in the three previous marketing
3 15 years is entitled to two directors.
3 16 A producer shall be entitled to vote in the election
3 17 regardless of whether the producer is a member of the
3 18 association.
3 19 2. The following persons shall serve on the board as
3 20 nonvoting, ex officio directors:
3 21 a. The secretary or the secretary's designee.
3 22 b. The dean of the college of agriculture of Iowa state
3 23 university of science and technology or the dean's designee.
3 24 c. The director of the department of economic development
3 25 or the director's designee.
3 26 d. Any other person that the board appoints.
3 27 Sec. 7. Section 185.5, Code 2005, is amended to read as
3 28 follows:
3 29 185.5 NOTICE OF ELECTION FOR DIRECTORS.
3 30 Notice of elections for directors of the board in a
3 31 district shall be given by the board by publication in a
3 32 newspaper of general circulation in the district and in any
3 33 other reasonable manner as determined by the board and shall
3 34 set forth the period of time for voting, voting ~~places~~
3 35 procedures, and other information the board deems necessary.
4 1 Sec. 8. Section 185.6, Code 2005, is amended to read as
4 2 follows:
4 3 185.6 WHO ELECTED.
4 4 In districts electing one director, the candidate receiving
4 5 the highest number of votes shall be elected. In districts
4 6 electing two directors, producers shall vote for two
4 7 directors, and the two candidates receiving the highest number
4 8 of votes shall be elected. If the election results in a tie
4 9 vote, the board shall appoint a director from among the
4 10 candidates who received the same number of votes.
4 11 Sec. 9. Section 185.7, Code 2005, is amended to read as
4 12 follows:
4 13 185.7 TERMS.
4 14 ~~Director terms~~ A director's term shall be for three years
4 15 and no. A director of the board shall not serve for more than
4 16 three complete consecutive full terms.
4 17 Sec. 10. Section 185.8, Code 2005, is amended to read as
4 18 follows:
4 19 185.8 ELECTIONS.
4 20 The board shall administer elections for its directors ~~of~~
4 21 ~~the board~~ with the assistance of the secretary. Prior to the
4 22 expiration of a director's term of office, the board shall
4 23 appoint a nominating committee ~~for the district represented by~~
4 24 ~~that director. The nominating committee shall consist of five~~
4 25 ~~producers who are residents of the district from which a~~
4 26 ~~director must be elected.~~ The nominating committee shall
4 27 nominate two resident producers as candidates for each
4 28 director position for which an election is to be held.
4 29 Additional candidates may be nominated by a written petition
4 30 of one hundred producers. Procedures governing the time and
4 31 place of filing shall be adopted and publicized by the board.
4 32 A place shall not be reserved on the ballot for write-in
4 33 candidates, and votes cast for write-in candidates shall not
4 34 be counted.
4 35 Sec. 11. Section 185.9, Code 2005, is amended to read as
5 1 follows:
5 2 185.9 VACANCIES == REMOVAL.
5 3 1. The board shall by appointment fill an unexpired term
5 4 if a vacancy occurs in the board.
5 5 2. The secretary may remove a director for any reason
5 6 enumerated in section 66.1A.
5 7 Sec. 12. Section 185.11, subsection 1, Code 2005, is
5 8 amended to read as follows:
5 9 1. Enter into contracts or agreements with recognized and
5 10 qualified agencies or organizations for the development and
5 11 carrying out of Provide for research and education programs
5 12 directed toward better and more efficient production,
5 13 marketing, and utilization of soybeans and soybean products.
5 14 Sec. 13. Section 185.13, unnumbered paragraph 1, Code
5 15 2005, is amended to read as follows:
5 16 The board ~~may~~ shall carry out its purposes as provided in

5 17 section 185.11. The board shall administer this chapter,
5 18 including by doing all of the following:
5 19 Sec. 14. Section 185.13, subsections 2 and 4, Code 2005,
5 20 are amended to read as follows:
5 21 2. ~~Establish~~ Acquire and establish offices, incur
5 22 expenses, and enter into any contracts or agreements necessary
5 23 to carry out the purposes of this chapter.
5 24 4. Enter into arrangements for collection of the state
5 25 assessment on soybeans marketed in this state.
5 26 Sec. 15. Section 185.13, Code 2005, is amended by adding
5 27 the following new subsection:
5 28 NEW SUBSECTION. 6. Administer the soybean checkoff
5 29 account as provided in section 185.26.
5 30 Sec. 16. Section 185.14, Code 2005, is amended to read as
5 31 follows:
5 32 185.14 PER DIEM AND EXPENSES.
5 33 Each ~~member~~ director of the board shall receive a per diem
5 34 as specified in section 7E.6 and actual expenses in performing
5 35 official board functions ~~not to exceed forty days per year.~~
6 1 ~~No member~~ A director of the board shall ~~not~~ be a salaried
6 2 employee of the board or any organization or agency which is
6 3 receiving ~~funds~~ moneys from the board. The board shall meet
6 4 at least ~~once every three months, and at such other times as~~
6 5 ~~deemed necessary by the board~~ four times each year.
6 6 Sec. 17. Section 185.20, Code 2005, is amended to read as
6 7 follows:
6 8 185.20 PRODUCERS ONLY TO VOTE.
6 9 Only producers are eligible to vote in an election for
6 10 directors or a referendum election and only in the district in
6 11 which they reside. A producer shall sign an affidavit
6 12 ~~furnished by the secretary~~ at the time of voting certifying
6 13 the producer's eligibility to vote. Each qualified producer
6 14 shall be entitled to one vote.
6 15 Sec. 18. Section 185.21, Code 2005, is amended to read as
6 16 follows:
6 17 185.21 ASSESSMENT.
6 18 1. ~~An A state~~ assessment ~~which is~~ adopted upon the
6 19 initiation of a promotional order shall be collected during
6 20 the effective period of the promotional order, and shall be of
6 21 no force or effect upon termination of the promotional order.
6 22 2. ~~The board shall determine and set the assessment rate.~~
6 23 ~~Assessments pursuant to the promotional order~~ The state
6 24 ~~assessment~~ shall be paid into the soybean promotion fund
6 25 established in section 185.26.
6 26 3. ~~An The~~ rate of the state assessment shall ~~not exceed be~~
6 27 as follows:
6 28 a. If the national assessment is being collected, the rate
6 29 of the state assessment shall be one-quarter of one percent of
6 30 the net market price of the soybeans marketed in this state
6 31 and sold to a first purchaser. The net market price is the
6 32 sales price received by a producer for soybeans after
6 33 adjustments for any premium or discount based on grading or
6 34 quality factors. The rate of assessment shall be determined
6 35 by the board. The board shall determine the effective date of
7 1 a rate change.
7 2 b. If the national assessment is not being collected, the
7 3 rate of the state assessment shall be one-half of one percent
7 4 of the net market price of soybeans marketed in this state.
7 5 Sec. 19. Section 185.22, Code 2005, is amended to read as
7 6 follows:
7 7 185.22 PROMOTIONAL ORDER.
7 8 After a promotional order has been issued, the first
7 9 purchaser at the time of payment for soybeans shall show the
7 10 total amount of state assessment deducted from the sale on the
7 11 purchase invoice.
7 12 Sec. 20. Section 185.23, Code 2005, is amended to read as
7 13 follows:
7 14 185.23 DEDUCTION OF ASSESSMENT.
7 15 The state assessment shall be deducted from the purchase
7 16 price of soybeans at the time of sale, and forwarded to the
7 17 board by the first purchaser in the manner and at intervals
7 18 determined by the board.
7 19 Sec. 21. Section 185.24, Code 2005, is amended to read as
7 20 follows:
7 21 185.24 TERMINATION OF A PROMOTIONAL ORDER.
7 22 If a promotional order is not extended as determined by a
7 23 referendum the secretary and the board shall terminate the
7 24 promotional order in an orderly manner as soon as practicable.
7 25 After all ~~funds~~ moneys collected from the state assessment are
7 26 expended, the board shall ~~cease to function. Any funds~~
7 27 ~~remaining one year following the termination of a promotional~~

~~7 28 order shall be disbursed by the board to the Iowa soybean~~
~~7 29 association remain in existence as provided in its articles of~~
~~7 30 incorporation or bylaws. The directors shall no longer be~~
~~7 31 elected as required in this chapter. The ex officio directors~~
~~7 32 shall no longer serve on the board. The board shall cease to~~
~~7 33 administer this chapter, and the board shall no longer carry~~
~~7 34 out its duties or exercise its powers as provided in this~~
~~7 35 chapter. However, if a future referendum passes, the board~~
~~8 1 shall be reorganized by the secretary and members the~~
~~8 2 directors then serving on the board shall be deemed to be the~~
~~8 3 same directors who served on the board when the promotional~~
~~8 4 order was terminated. The directors shall serve out their~~
~~8 5 terms as though there had been no lapse of time between the~~
~~8 6 two effective orders.~~

8 7 Sec. 22. Section 185.26, Code 2005, is amended to read as
8 8 follows:

8 9 185.26 ADMINISTRATION OF MONEYS.

8 10 1. ~~Assessments~~ The state assessment collected by the board
8 11 ~~from a sale of soybeans~~ shall be deposited in a special fund
8 12 known as the soybean promotion fund, in the office of the
8 13 treasurer of state. The fund may also contain any gifts, or
8 14 federal or state grant received by the board. Moneys
8 15 collected, deposited into the fund, and transferred to the
8 16 board, as provided in this chapter, shall be subject to audit
8 17 by the auditor of state. The department of administrative
8 18 services shall transfer moneys from the fund to the board for
8 19 deposit into an account known as the soybean checkoff account
8 20 which shall be established by the board in a qualified
8 21 financial institution. The department shall transfer the
8 22 moneys into the account as provided in a resolution adopted by
8 23 the board. However, the department is only required to
8 24 transfer moneys once during each day and only during hours
8 25 when the offices of the state are open. From moneys
8 26 collected, deposited, and transferred to the board soybean
8 27 checkoff account as provided in this section, the board shall
8 28 first pay the costs of referendums, elections, and other
8 29 expenses incurred in the administration of this chapter,
8 30 before moneys may be expended for the purpose of market
~~8 31 development to carry out the purposes of the board as provided~~
8 32 in section 185.11. The association shall strictly segregate
8 33 moneys in the soybean checkoff account from all other moneys
8 34 of the association. Moneys in the soybean checkoff account
8 35 shall be expended exclusively for the purposes of the board as
9 1 provided in section 185.11. The account shall be subject to
9 2 audit by the auditor of state.

9 3 2. The fiscal year of the association shall commence on
9 4 October 1 and end on September 30.

9 5 Sec. 23. Section 185.27, Code 2005, is amended to read as
9 6 follows:

9 7 185.27 REFUND OF ASSESSMENT.

9 8 A producer who has sold soybeans and had ~~an~~ the state
9 9 assessment deducted from the sale price may, by application in
9 10 writing to the board, secure a refund in the amount deducted.
9 11 The refund shall be payable only when the application ~~shall~~
~~9 12 have been~~ is made to the board within sixty days after the
9 13 deduction. Application forms shall be given by the board to
9 14 each first purchaser when requested and the first purchaser
9 15 shall make the applications available to any producer. Each
9 16 application for refund by a producer shall have attached
9 17 thereto proof of assessment deducted. The proof of assessment
9 18 may be in the form of a duplicate or certified copy of the
9 19 purchase invoice by the first purchaser. The board shall have
9 20 thirty days from the date the application for refund is
9 21 received to remit the refund to the producer.

9 22 Sec. 24. Section 185.29, Code 2005, is amended to read as
9 23 follows:

9 24 185.29 REMISSION OF ~~EXCESS FUNDS~~ REMAINING MONEYS.

9 25 After the board has paid the costs of elections,
9 26 referendum, necessary board expenses, and administrative
9 27 costs, ~~at least seventy-five percent of~~ the remaining moneys
9 28 collected, deposited in the fund, and transferred to the board
9 29 soybean checkoff account as provided in this chapter, section
9 30 185.26 shall be expended by the board for market development
~~9 31 activities, including developing and expanding new markets for~~
~~9 32 soybeans and soybean products worldwide. The moneys shall~~
~~9 33 only be used for research, promotion, and education in~~
~~9 34 cooperation with qualified agencies as is necessary to carry~~
9 35 out its purposes as provided in section 185.11.

10 1 Sec. 25. Section 185.34, Code 2005, is amended to read as
10 2 follows:

10 3 185.34 NOT A STATE AGENCY.

10 4 1. The Iowa soybean promotion board shall association is
10 5 not be a state agency.
10 6 2. a. Except as provided in paragraph "b", the board is
10 7 not a state agency or a governmental entity as defined in
10 8 section 8A.101, public employer as defined in section 20.3, or
10 9 an authority or instrumentality of the state.
10 10 b. The board is deemed to be all of the following:
10 11 (1) A department for purposes of chapter 11.
10 12 (2) A public body for purposes of chapter 12C. Moneys
10 13 deposited into the soybean checkoff account as established in
10 14 section 185.26 shall be deemed to be public funds under
10 15 chapter 12C.
10 16 (3) An agency for purposes of an appeal from its final
10 17 decision under chapter 17A. A person who is aggrieved or
10 18 adversely affected by the board's final agency action is
10 19 entitled to judicial review as provided in section 17A.19.
10 20 (4) A governmental body for purposes of chapter 21.
10 21 Sec. 26. NEW SECTION. 185.35 POLITICAL ACTIVITY ==
10 22 INFLUENCING LEGISLATION PROHIBITED.
10 23 1. Except as provided in subsection 2, all of the
10 24 following shall apply:
10 25 a. The board shall not expend any moneys on political
10 26 activity or on any attempt to influence legislation.
10 27 b. It shall be a condition of any allocation of moneys
10 28 that an organization receives from the board, that the
10 29 organization shall not expend the moneys on a political
10 30 activity or on an attempt to influence legislation.
10 31 2. Subsection 1 does not apply to a communication or
10 32 action taken by the board if any of the following applies:
10 33 a. The board may communicate or take action directed to an
10 34 appropriate government official or government relating to the
10 35 marketing of soybeans or soybean products to a foreign
11 1 country.
11 2 b. The communication or action relates to the prevention,
11 3 modification, or elimination of trade barriers.
11 4 Sec. 27. Chapter 185A, Code 2005, is repealed.
11 5 Sec. 28. Sections 185.10 and 185.25A, Code 2005, are
11 6 repealed.
11 7 Sec. 29. TRANSITIONAL PROVISIONS.
11 8 1. a. The secretary of agriculture shall establish a
11 9 transitional Iowa soybean association board of directors by
11 10 appointing initial directors to the board. The directors
11 11 shall take office as soon as possible after the effective date
11 12 of this Act. The initial directors shall serve until the
11 13 first directors are elected pursuant to this section. The
11 14 board shall administer the provisions of this chapter in the
11 15 same manner as a board constituted pursuant to section 185.3.
11 16 The initial directors are not required to post a bond as
11 17 provided in section 185.30.
11 18 b. On or before July 15 following the enactment of this
11 19 Act, the Iowa soybean association shall appoint a nominating
11 20 committee. On or before July 30 following the enactment of
11 21 this Act, the nominating committee shall nominate two
11 22 producers as candidates for each position as director on the
11 23 board. Additional candidates may be nominated by written
11 24 petition. The petition must include the signatures of at
11 25 least one hundred producers. The petition must be delivered
11 26 to the initial board on or before August 15 following the
11 27 enactment of this Act. The procedure governing the place and
11 28 filing of contents of the petition shall be widely publicized
11 29 by the Iowa soybean association.
11 30 c. The election shall be conducted in conformance with
11 31 section 185.3, as amended by this Act. Producers shall vote
11 32 by ballot for the directors of the board on or before August
11 33 31 following the enactment of this Act. The secretary of
11 34 agriculture shall canvass the ballots and announce the elected
11 35 directors on or before September 15 following the enactment of
12 1 this Act. The elected directors shall as soon as possible
12 2 conduct an organizational meeting at which meeting the terms
12 3 of the initial directors shall cease.
12 4 2. a. Any agreement made by the Iowa soybean promotion
12 5 board prior to the effective date of this Act shall continue
12 6 in full force and effect until it expires by its terms or is
12 7 amended, terminated, or supplemented by the affirmative action
12 8 of the Iowa soybean association board.
12 9 b. Any rule, regulation, form, order, or directive adopted
12 10 or promulgated by the Iowa soybean promotion board or the
12 11 department of agriculture and land stewardship on behalf of
12 12 the board which is in effect on the effective date of this Act
12 13 shall continue in full force and effect until amended,
12 14 repealed, or supplemented by the affirmative action of the

12 15 Iowa soybean association board or the department of
12 16 agriculture and land stewardship.

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CHRISTOPHER C. RANTS

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Speaker of the House

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JOHN P. KIBBIE

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President of the Senate

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12 28 I hereby certify that this bill originated in the House and

12 29 is known as House File 700, Eighty-first General Assembly.

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MARGARET THOMSON

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Chief Clerk of the House

12 35 Approved _____, 2005

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THOMAS J. VILSACK

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Governor